

**MINUTES OF REGULAR MEETING OF  
THE REDEVELOPMENT COMMISSION OF GREENSBORO**

**APRIL 15, 2003**

**REGULAR MEETING**

The Redevelopment Commission of Greensboro met in regular meeting in the Plaza Level Conference Room, Melvin Municipal Building, Greensboro, North Carolina, on Tuesday, April 15, 2003, at 5:12 p.m. Present were: Chairman Bill Benjamin, Joe Wood, Nettie Coad, Jerry Leimenstoll, and Scott Lilly. Dan Curry, Caroline Wells, and Dyan Arkin represented the Housing and Community Development Department (HCD). Jim Blackwood, Esq., Attorney for the Commission, was also present.

Chairman Benjamin called the meeting to order, introduced himself, and welcomed everyone to the meeting. He asked that anyone who wished to speak to come up to the microphone, identify themselves, and give their address.

Chairman Benjamin said the Commission would hear item 3 first so that the gentleman who was present on that item would not have to sit through the other items.

**EASTSIDE PARK NEIGHBORHOOD**

**A. ACQUISITION OF 1845 AND 1847 SPENCER STREET**

Mr. Curry gave some background on this property. This property is not currently on the Eastside Park Acquisition List in the adopted Redevelopment Plan. The Commission does not have condemnation authority over this property. The property is owned by James Howerton, who was present, and Mr. Howerton over the last year or so has expressed an interest in possibly selling the property. Since it was not on the Acquisition List, staff previously was not in a position to be able to purchase it. Staff does feel at this point that there are funds available to consider purchasing the property. When they looked at the property several months ago, it was clearly a property that had some site and condition issues that to staff would warrant making a good case for acquiring it and some improvements going on the property that would benefit both Eastside Park and Willow Oaks.

They had a meeting with Mr. Howerton and agreed to go ahead and have an appraisal and review appraisal done, and bring it before the Commission so the Commission could consider setting an offer price. He said this was not a situation where he thought there was a great urgency in the purchase so if we need to spend some time reviewing the appraisals and reviewing Mr. Howerton's comments, they would be glad to do that.

Chairman Benjamin asked why the Commission would want to come in and acquire this property?

Mr. Curry responded that the main reason was the condition of the property. There is a considerable amount of debris around the site. He had not been in the structure so he could not comment on the interior condition of it. From the exterior, it looks like it is somewhat deteriorated. It is a key site in terms of location. It is directly across the street from development that is getting ready to occur in Willow Oaks, which makes it a site staff would really like to get cleaned up relatively quickly.

Chairman Benjamin said the other alternative would be to go to the owner and asking him to clean it up itself, and then go sell it on the private market. If he thinks it is worth more money, since money is limited, do we not have higher priorities in terms of what we are trying to do with it?

Mr. Curry said that was why staff did not move on it earlier. The Commission now has a full budget proposal to complete the acquisition work in Eastside Park, including this property. So staff feels like the funds are available, including the funds they hope to get in this coming year's budget.

Mr. Curry pointed out other properties that are on the Acquisition List that staff will be bringing forward this year. Everything left on the Acquisition List for Eastside Park staff has programmed for action this coming year.

In response to a question from Mr. Wood, Ms. Wells said Mr. Howerton's properties combined were about 42,000 square feet.

Mr. Leimenstoll asked what they would be looking to do with those two properties and possibly three properties?

Mr. Curry said staff had been looking at the potential of building single-family houses on that property. There is a drainage way on the back side of one lot that cuts down where only two homes could be built there them.

Mr. Wood said if everything around this property consists of apartments and according to the fact sheet, there is enough property there to build 10 apartments, why would we want to put two single-family houses in the middle of apartments?

Mr. Curry said the drainage lots causes a visual break and there will also be single-family homes across the street.

Chairman Benjamin said the Commission does not have the ability to condemn on Mr. Howerton's properties, but if we are able to do a negotiated deal and there is a continuation of ownership, what then? Is there not any sort of opportunity for that property owner not to go into another of what he calls "funny money," through different programs? Is there something that he could do to use to fix this up and make it appropriate?

Mr. Curry said there is always the rehabilitation program that is available for property owners who want to consider repair of properties, and that would be an option.

James Howerton, 3214 Woodlea Drive, said he was owner of the properties at 1845 and 1848 Spencer Street. He said he had no ambition to own a lot of property, particularly a lot of rental property. During the years, he realized that owning rental property becomes a cumbersome task and it takes a lot of time. He made the decision that he does not want to stay in this type business. As stated in his letter, he thought it was a win/win situation. If the Commission is willing to purchase his property, those are good-sized lots for that area.

Mr. Wood asked Mr. Howerton if he had tried going to the private market before, or did he just decide to go with the City first?

Mr. Howerton responded that he decided to go with the City because that was the one he knew most and he did not go to the private market.

In response to a question from Mr. Leimenstoll, Mr. Curry said the 1845 property was being looked at only as to the land and not towards renovating the house on it.

In response to a question from Ms. Coad, Mr. Howerton said his evaluation considered the house and the land of the two properties. The lots the appraiser used for comparison were much smaller lots.

Mr. Wood said on the properties over which the Commission has condemnation potential, the Commission always asks the person who has the property in question to submit a counter appraisal. Sometimes the Commission goes with one, sometimes with the other; sometimes the Commission splits the difference.

Mr. Lilly asked why staff ordered the couple of appraisals that were in the Commissioners' packets?

Mr. Curry said the Commissioners had appraisals on both the house and the vacant lot and they also had review appraisals. That is a Federal requirement in terms of how we do business when we are using Federal funds, which this is. Mr. Howerton's willingness to sell is what prompted the appraisals.

Mr. Wood said he did not know what the will of the Commission was, but he would like to make a motion that we table this until such time as Mr. Howerton can bring us back a counter appraisal.

Chairman Benjamin said he thought the proper steps would be to go ahead and give Mr. Howerton an offer based on what we have, and then it is up to him to go on and actually get something other than just his opinion. That is probably the best way to do it.

Mr. Wood said the Commission has to offer the appraised value. That is not to say that the property owner cannot come back with a counter appraisal that the Commission will then consider.

Mr. Wood said what the Commission was doing was trying to offer Mr. Howerton the fair market value for his property. The Commission uses an appraisal to arrive at what the Commission thinks is that fair market value.

Counsel Blackwood said basically the appraisal that was obtained is supposed to be that person's opinion in his capacity as an appraiser as to what fair market value is. Although we say appraised value, it is supposed to be fair market value too.

Mr. Howerton said he understood fully what was being said, although he would not say he agreed with it 100 percent. He said they looked at replacement cost for the dwelling on 1845 in 1997 and the replacement cost was \$42,000 and did not include the land. He said he would not question the methodology and technique used by the appraisers. What he wanted as a property owner was fair market value.

Chairman Benjamin what he suspected the Commission was willing to do was take the best information it has as to fair market value and kind of give Mr. Howerton an offer based on that. It is up to Mr. Howerton to accept or reject, and the Commission would welcome his return next month with information that would help the Commission understand it better. That lets the Commission be good stewards of the funds entrusted to it.

Mr. Leimenstoll moved that the Commissioner offer Mr. Howerton the total appraised value of \$44,500 for the properties located at 1845 and 1847 Spencer Street, seconded by Ms. Coad. The Commission voted 4-1 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll. Nays: Lilly.)

Chairman Benjamin said because this was not under one of the condemnation powers and if he has a tenant there, what happens with regards to that tenant being relocated?

Ms. Wells said staff generally relocates them according to their usual process.

Ms. Coad said she still had a problem with the property not being an acquisition, and she voted for this because you have to do something. It is two pieces of property on the whole street.

Mr. Lilly said there was a viable private market interest in this neighborhood. He did not think the Commission should go in and trump that process yet. That was his reason for voting against the motion.

Ms. Wells told Mr. Howerton that she would send him an offer in writing and talk with him, if he has any questions.

Ms. Coad expressed her concern about what was going on in the HOPE VI area, and although a summary had been given the Commissioners this month, she felt kind of lost as to what was going on with most of it.

Chairman Benjamin said his concern was that the City does not have unlimited funds and how you determine priorities and how this Commission helps staff determine priorities. He thought that was important for the Commissioners to know.

Mr. Curry said staff had gone through a very extensive review process in Eastside Park. They are at the end of this project and that is how they started looking at this site when they started looking to see what was left to be done in this neighborhood.

Ms. Coad said she had no problem with where they were, but she was wondering if the Commission should not have been at some of these places prior to that.

Mr. Wood said he knew they had gone through the process and had it explained to them what the criteria are for areas and things like that. But he was with Ms. Coad as to why are some properties chosen and other properties are not, particularly that which is right across the street and staring the whole thing in the face.

Mr. Curry said a few years ago, that property was in good shape. He said as they do acquisition and relocation work of deteriorated properties in one neighborhood, a lot of times those same conditions relocate very close by. He was starting to see some of the edges of Eastside Park not looking as good as they looked as recently as a year ago.

Mr. Leimenstoll said he did not understand why that was happening. It seemed to be a reverse of what was expected to happen.

Mr. Curry said when you are in areas where there is a lot of loitering, a lot of just sort of hanging around, and you start buying and clearing property, a lot of those issues do not move very far sometimes. They

will move to the next soft spot and that is where they will plunk down.

Ms. Coad said some of that was due to the homeowner's ability to maintain the status of their home because a lot of people in the early parts of this low income housing got into houses that maybe should not have at that point. It is widely known that we are going to start experiencing problems with people who were not fully educated, have not acquired the financial status, but somehow got into homes.

Mr. Leimenstoll said there were two issues that came to his mind in this whole discussion. One is we made a decision when we made a vote and much to his surprise, it was a vote that was not unanimous. He would have appreciated knowing Mr. Lilly's reason before we voted as to why he did not feel this was a good thing to do because he felt that his point was very germane to their discussion, yet it was not part of the discussion. He felt very strongly that we should have those as part of our discussions.

Mr. Wood said he and Chairman Benjamin both raised the same issue about taking it to the private sector.

Chairman Benjamin said that one of the things they had not done in awhile was to have a field trip.

Ms. Wells agreed that a tour would be good and also a work session to sit down and look through the plans, ask questions, have them answered.

Chairman Benjamin suggested that for the rest of the agenda tonight that the Commission had a staff report, which they could read, so let us read the status report and try to schedule something through the email function to have a field trip out that would focus on Willow Oaks and then let us follow up with a meeting.

Counsel Blackwood said the Commission could have a special meeting, limited to the specific item noted on the agenda for the special meeting, but the Commission has the ability to do that. He thought the special meeting should be advertised because the Commissioners would be conducting itself as the body and it was certainly much better that it be conducted in the format of a meeting, with minutes, so there is no question about any discussions.

### **ADDITIONAL BUSINESS**

Counsel Blackwood said that the Commission has a contract with DVA Financial, Inc. to buy the property at 219 English Street. He did not know the contract price. It was an agreed price. This property was obtained by DVA Financial through a tax foreclosure sale conducted by the County and City Tax Authorities, previously owned by Eric and Cassandra Hoskins. That proceeding was not done completely correct and there were at least 8 judgment liens that were not taken into account. Because of that, the amount of the judgment liens exceed the amount of the agreed upon price. We cannot acquire good title without authorizing condemnation. He said he wanted condemnation authority to acquire the property at 219 English Street, fully agreed upon price from the present owner, DVA Financial, Inc., or any other parties that have an ownership interest in it. There are at least 8 lien interests.

Mr. Lilly moved that the Commission authorize condemnation proceedings be begun against the owner(s) of record or any other party in interest that has a legal interest in the property at 219 English Street, at the agreed upon price, seconded by Mr. Wood. The Commission voted 6-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll, Lilly. Nays: None.)

## **WILLOW OAKS NEIGHBORHOOD**

### **B. PIEDMONT GAS EASEMENT**

Counsel Blackwood said it was a regulator station and it was on Greensboro Housing Authority property right now. They are doing away with it in that location. They need to move it for the Willow Oaks Project and this was the area agreed upon by all the various parties. It is just a relocation of what is a required part of the gas line.

Mr. Wood moved that Bill Benjamin be authorized as Chairman to sign the easement for the regulator station for Piedmont Gas, seconded by Ms. Coad. The Commission voted 5-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll, Lilly. Nays: None.)

### **APPROVAL OF MINUTES OF REGULAR MEETING OF FEBRUARY 18, 2003**

Mr. Wood moved approval of the February 18, 2003 regular meeting as written, seconded by Mr. Lilly. The Commission voted 5-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll, Lilly. Nays: None.)

## **OLE ASHEBORO NEIGHBORHOOD**

### **A. RESCHEDULE MAY MEETING UNTIL THE WEEK OF 26TH TO MEET WITH URBAN DESIGN ASSOCIATES**

This item was removed from the agenda since the change was not necessary.

## **WILLOW OAKS NEIGHBORHOOD**

### **A. STATUS REPORT**

Ms. Wells said this status report also involved the 728 Gillespie acquisition, which was table from our February meeting. The Commission decided to table the status report until the next meeting.

### **C. COUNTEROFFER FOR 714 GILLESPIE STREET**

Ms. Wells said a revised counteroffer has been received from Avis Hall for 714 Gillespie Street. At its February meeting, the Commission authorized condemnation in the amount of \$39,000. Ms. Hall submitted a counter appraisal of \$50,200; however, the counteroffer appraisal was not a Complete Analysis Summary Appraisal and did not comply with USPAP (SR2-2) standards (inappropriate comparables used). A letter was sent to Ms. Hall outlining the reasons for rejection of the appraisal. The counteroffer appraiser revised the counteroffer appraisal and resubmitted it to the Commission. The revised counteroffer appraisal was received and reviewed. They changed their comparables, but basically put forth the same thing. It is still a limited appraisal; it is not a complete appraisal. The Commission is asked to consider the counteroffer.

Mr. Wood moved that the Commission reject the counteroffer and just continue on with the

condemnation as approved by this Commission in February 2003, at the appraised value of \$39,000, seconded by Mr. Leimenstoll.

Chairman Benjamin called for a vote on Mr. Wood's motion. The Commission voted 5-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll, Lilly. Nays: None.)

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There being no further business before the Commission, the meeting was adjourned at 6:20 p.m.

Respectfully,

Dan Curry. Assistant Secretary  
Greensboro Redevelopment Commission

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